

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK (MANHATTAN)**

In re:) Chapter 11
)
KESTREL TECHNOLOGIES, INC., et) Case No. 12-15052 (JMP)
al.,)
)
)
Debtors.)

**FIRST INTERIM FEE APPLICATION OF GAVIN/SOLMONESE LLC AS FINANCIAL
ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES FOR THE PERIOD FROM
FEBRUARY 7, 2013 THROUGH MAY 31, 2013**

Name of Applicant: **Gavin/Solmonese LLC**

Authorized to Provide Professional
Services to: **Official Committee of Unsecured Creditors**

Date of Retention: **February 7, 2013**

Period for which compensation
and reimbursement sought: **February 7, 2013 through May 31, 2013**

Amount of Compensation sought as
Actual, reasonable and necessary: **\$61,315.00**

Amount of Expense Reimbursement
sought as actual, reasonable and
necessary: **\$1,625.57**

This is a(n) ____ monthly x interim ____ final application

The total time expended for fee application is approximately 5 hours, and the corresponding compensation to be requested in the next fee application will be approximately \$750.00.

**SUMMARY OF PROFESSIONALS RENDERING SERVICES FROM
FEBRUARY 7, 2013 THROUGH MAY 31, 2013**

Professional Person	Position of the Applicant, Number of Years in that Position	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
Edward T. Gavin, CTP	Principal, 2006	\$600.00 (Prof.) \$300.00 (Travel)	24.50 0.00	\$14,700.00 \$0.00
Wayne P. Weitz	Managing Director, 2012	\$475.00 (Prof.) \$237.50 (Travel)	67.30 15.00	\$31,967.50 \$3,562.50
Peter Hartheimer	Vice President, 2010	\$450.00 (Prof.) \$112.50 (Travel)	18.30 3.00	\$8,235.00 \$337.50
Ross Waetzman	Director, 2008	\$375.00 (Prof.) \$187.00 (Travel)	6.30 0.00	\$2,362.50 \$0.00
Jacqueline L. Owens	Administrative Assistant, 2012	\$75.00 (Prof.) \$37.50 (Travel)	2.00 0.00	\$150.00 \$0.00
		Total Hours	136.40	\$61,315.00

COMPENSATION BY PROJECT CATEGORY

Project Category	Total Hours	Total Fees
Asset Disposition	35.90	\$17,352.50
Business Analysis	32.00	\$15,027.50
Case Administration	13.20	\$5,492.50
Claims Administration and Objections	1.20	\$670.00
Court Hearing	6.30	\$2,992.50
Fee/Employment Application	8.20	\$4,582.50
Financing	9.70	\$5,082.50
Litigation Support	0.30	\$155.00
Meetings of Creditors	11.60	\$6,060.00
Travel	18.00	\$3,900.00
TOTAL	136.40	\$61,315.00

EXPENSE SUMMARY

Expense Category	Service Provider (if applicable)	Total Expenses
Hotel		\$463.35
Public Record Search	Pacer	\$44.30
Parking		\$78.00
Taxi		\$17.90
Telephone		\$4.27
Tolls		\$30.00
Train		\$987.75
TOTAL		\$1,625.57

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Pursuant to sections 328 and 1103 of the United States Code (the “Bankruptcy Code”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing the employment and retention of Gavin/Solmonese, LLC, (“G/S”) as Financial Advisor to the Committee, *nunc pro tunc* to February 7, 2013 (the “Retention Date”), Gavin/Solmonese LLC (“Applicant”) hereby files this application for monthly interim allowance of reasonable compensation with respect to the bankruptcy case of Kestrel Technologies, Inc., *et al.* (the “Debtors”) for services rendered as the Financial Advisors to the Official Committee of Unsecured Creditors (the “Committee”) in the amount of \$61,315.00, together with the reimbursement for actual and necessary expenses incurred in the amount of \$1,625.57 (the “Application”) for the period from February 7, 2013 through and including May 31, 2013, (the “Compensation Period”). In support of the Application, Applicant submits the affidavit of Edward T. Gavin, CTP attached hereto as Exhibit “A”. In further support of the Application, Applicant respectfully represents as follows:

JURISDICTION

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of this proceeding and this Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for this Application are 11 U.S.C. §§ 328 and 1103.

FACTUAL BACKGROUND

2. Kestrel Technologies, Inc. (the “Debtor”) filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) on December 31, 2012. Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, the Debtor operates its business as a Debtor-in-possession. No trustee or examiner has been appointed in these cases.

2. On January 29, 2013, the Office of the United States Trustee, pursuant to Section 1102 of the Bankruptcy Code, appointed the following members to the Committee: Tod Ginnis, Harold S. Woolley & Stephen Smith. Tod Ginnis later resigned from the Committee.

3. On March 28, 2013 the Court entered that certain Order Authorizing Employment and Retention *Nunc Pro Tunc* to February 7, 2013 of Gavin/Solmonese LLC as Financial Advisor to the Official Committee of Unsecured Creditors [D.I. 71], approving the Committee’s retention of Applicant *nunc pro tunc* to February 7, 2013.

COMPENSATION AND REIMBURSEMENT OF EXPENSES

4. Applicant submits this Application to the Bankruptcy Court for an allowance of reasonable compensation for actual and necessary professional services provided to the Committee as its Financial Advisor in this case during the Compensation Period. All included services and costs for which Applicant seeks compensation were performed for, or on behalf of, the Committee during the Compensation Period.

5. By this Application, Applicant thus seeks (a) allowance of compensation in the amount of \$61,315.00 for services rendered as Financial Advisor during the Compensation period, (b) authority for immediate payment to Applicant of 100% of such compensation (\$61,315.00) and (c) allowance of reimbursement and immediate payment in the amount of \$1,625.57 for expenses incurred and disbursed during the Compensation Period.

6. Exhibit "B" is a summary covering all the services performed by Applicant with respect to this matter during the Compensation Period. This detailed itemization complies with Local Bankruptcy Rules in that each time entry contains a separate time allotment; a description of the type of activity and the subject matter of the activity; all time is billed in increments of one-tenth of an hour; the time entries are presented chronologically in categories, and; all meetings or hearings are individually identified. Following is the detailed itemization, by task category, of all services performed by Applicant with respect to this matter during the Compensation Period. Non-working travel time (to the extent applicable) is billed at 50% of normal rates.

7. The Applicant has divided its time into the following categories:

- a) **Asset Disposition (35.90 Hours - \$17,352.50)** This category includes sales, leases (§365 matters), abandonment and transaction work related to asset disposition, including §363 sales and other dispositions of assets.
- b) **Business Analysis (32.00 Hours - \$15,027.50)** This category includes time spent in the review of debtor's business plan; development and review of strategies; preparation and review of cash flow forecasts and feasibility studies and general review of business matters as they pertain to the bankruptcy case.
- c) **Case Administration (13.20 Hours - \$5,492.50)** This category includes time spent in coordination and compliance matters including case management tasks;


schedules; contacts with the Office of the United States Trustee; general record keeping and documentation requirements

- d) **Claims Administration and Objections (1.20 Hours - \$670.00)** This category includes general and specific claim inquiries; bar date motions; analyses, objections and allowance of claims.
- e) **Court Hearing (6.30 Hours - \$2,992.50)** Time billed to this category includes time related to attending and preparing for hearings held before the United States Bankruptcy Court for the District of Delaware. During the Compensation Period, the Applicant, among other things, attended hearings before the Bankruptcy Court.
- f) **Fee/Employment Application (8.20 Hours - \$4,582.50)** This category includes the preparation and/or review of employment and fee applications for self or others; motions to establish interim procedures.
- g) **Financing (9.70 Hours - \$5,082.50)** Matters under §§ 361, 363 and 364 including cash collateral and secured claims; debtor-in-possession credit facilities; loan document analysis and tasks related thereto.
- h) **Litigation Support (0.30 Hours - \$155.00)** Time billed to this category represents the Financial Advisor's efforts in preparing and reviewing motions, pleadings or objections filed or proposed by the Committee or its counsel.
- i) **Meetings of Creditors (11.60 Hours - \$6,060.00)** Time billed to this category represents the Applicant's interactions with members of and counsel for the Official Committee of Unsecured Creditors.
- j) **Travel Time (18.00 Hours - \$3,900.00)** Time billed to this category represents all travel time in connection with this case.

8. Attached hereto as Exhibit "C" is a summary of the costs actually expended by the Applicant in the performance of services rendered on behalf of the Committee. The costs for which reimbursement is requested total \$1,625.57. The breakdown of the costs includes the rate of copying charges (\$.10/page) and the basis for each rate, telephone charges, facsimile charges (\$1.00/page – outgoing transmission only), messenger service, travel expenses, court reporter services, overnight delivery fees, outside reproduction, legal research and PACER charges. By this Application, the Applicant does not seek expenses for incoming facsimile transmissions.

WHEREFORE, Gavin/Solmonese LLC respectfully requests (i) allowance of compensation in the amount of \$61,315.00 for professional services rendered and \$1,625.57 for reimbursement for actual and necessary costs; (ii) immediate payment of \$61,315.00 which is 100% of the allowed compensation of \$61,315.00; (iii) allowance and immediate payment of 100% of the allowed actual and necessary costs of \$1,625.57; and (iv) such other and further relief as this Court deems necessary and just.

Dated: July 2, 2013



Edward T. Gavin, CTP
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